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COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

FINANCIAL STATEMENTS
For the Years Ended June 30, 2009 and 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/24/10

THOMAS, WILSON, RAGUSA, UFFMAN & CO.

CERTIFIED PUBLIC ACCOUNTANTS
BATON ROUGE, LOUISIANA

TABLE OF CONTENTS

	<u>PAGE</u>
AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION.....	2
STATEMENTS OF ACTIVITIES.....	3
STATEMENTS OF FUNCTIONAL EXPENSES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	9

THOMAS, WILSON, RAGUSA, UFFMAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community School for Apprenticeship Learning
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Community School for Apprenticeship Learning (a nonprofit School) as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community School for Apprenticeship Learning as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2010, on our consideration of Community School for Apprenticeship Learning's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Thomas, Wilson, Ragusa, Uffman & Co. CPAs

Certified Public Accountants
January 29, 2010

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION
(See Notes to Financial Statements)

ASSETS

	June 30,	
	2009	2008
CURRENT ASSETS:		
Cash - Unrestricted	\$ 209,329	\$ 84,638
Accounts Receivable - MFP	74,434	68,734
Accounts Receivable - Federal Programs	38,110	139,091
Accounts Receivable - State Programs	12,332	7,568
Employee Receivable	1,268	2,657
Prepaid Insurance	4,437	8,657
TOTAL CURRENT ASSETS	339,910	311,345
PROPERTY AND EQUIPMENT:		
Buildings and Leasehold Improvements in Progress	30,750	-
Furniture and Fixtures	50,690	50,690
Equipment	83,674	83,674
Landscaping	1,870	1,870
TOTAL PROPERTY AND EQUIPMENT	166,984	136,234
Less Accumulated Depreciation	102,439	89,721
NET PROPERTY AND EQUIPMENT	64,545	46,513
TOTAL ASSETS	\$ 404,455	\$ 357,858

LIABILITIES AND NET ASSETS

	June 30,	
	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES:		
Cash Overdraft	\$ -	\$ 1,604
Accounts Payable	754	47,746
Accrued Payroll Taxes	10,523	6,960
Payroll Liabilities	1,136	2,135
Due to Department of Social Services	-	5,202
Line of Credit	69,626	-
Other Miscellaneous Payable	3,626	-
Accrued Salary	-	23,537
Accrued Insurance	-	3,052
	<hr/>	<hr/>
TOTAL LIABILITIES (ALL CURRENT)	85,665	90,236
NET ASSETS:		
Unrestricted	<u>318,790</u>	<u>267,622</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 404,455</u>	<u>\$ 357,858</u>

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES
(See Notes to Financial Statements)

	Years Ended June 30,	
	<u>2009</u>	<u>2008</u>
CHANGES IN UNRESTRICTED NET ASSETS		
PUBLIC SUPPORT REVENUES AND OTHER SUPPORT:		
East Baton Rouge Parish School Board Support - MFP	\$ 1,564,007	\$ 1,248,112
Support from Federal Programs	414,930	206,230
Support from State Programs	119,164	212,492
East Baton Rouge Parish School Board Support - Food Allocation	14,066	11,731
East Baton Rouge Parish School Board Support - Miscellaneous	-	1,808
Student Services - Food	4,042	3,519
Contributions	35,701	-
Miscellaneous Income and Student Fees	<u>38,104</u>	<u>46,662</u>
TOTAL PUBLIC SUPPORT REVENUES AND OTHER SUPPORT	2,190,014	1,730,554
EXPENDITURES:		
Program Expenses	1,243,634	1,046,677
Administrative Expenses	<u>895,212</u>	<u>603,907</u>
TOTAL EXPENDITURES	<u>2,138,846</u>	<u>1,650,584</u>
INCREASE IN UNRESTRICTED NET ASSETS	51,168	79,970
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>267,622</u>	<u>187,652</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 318,790</u>	<u>\$ 267,622</u>

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

STATEMENTS OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)

	For the Year Ended June 30, 2009		
	Administrative Expenses	Program Expenses	Total
EXPENSES:			
Salaries	\$ 257,837	\$ 761,987	\$ 1,019,824
Payroll Taxes	23,362	7,905	31,267
Employee Benefit Other	1,772	600	2,372
Advertising and Promotional	10,142	-	10,142
Materials, Supplies, Books, & Periodicals	58,354	72,217	130,571
Depreciation	12,718	-	12,718
Dues and Subscriptions	18,877	2,008	20,885
Equipment Rental	2,143	725	2,868
Food Service	-	95,104	95,104
Health Insurance	130,002	43,990	173,992
Insurance	20,082	-	20,082
Disposal	-	-	-
Miscellaneous	1,245	61	1,306
Postage and Telephone	7,112	-	7,112
Technical and Professional Services	87,315	62,176	149,491
Rent	7,863	23,237	31,100
Repairs and Maintenance	50,667	4,053	54,720
Retirement	33,386	98,666	132,052
Transportation	95,580	43,783	139,363
Travel	12,006	21,773	33,779
Utilities	15,806	5,349	21,155
EBR Parish School Board - Indirect Costs	48,943	-	48,943
TOTAL EXPENSES	\$ 895,212	\$ 1,243,634	\$ 2,138,846

For the Year Ended June 30, 2008

Administrative Expenses	Program Expenses	Total
\$ 214,892	\$ 569,933	\$ 784,825
16,744	6,313	23,057
2,242	846	3,088
1,585	-	1,585
42,424	46,779	89,203
13,567	-	13,567
4,230	-	4,230
2,060	5,465	7,525
-	97,177	97,177
14,417	38,238	52,655
17,084	-	17,084
3,120	-	3,120
2,614	25,069	27,683
5,595	14,839	20,434
45,705	69,635	115,340
16,702	44,298	61,000
7,727	1,076	8,803
29,225	77,509	106,734
4,228	43,783	48,011
1,693	5,717	7,410
-	-	-
158,053	-	158,053
<u>\$ 603,907</u>	<u>\$ 1,046,677</u>	<u>\$ 1,650,584</u>

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS
(See Notes to Financial Statements)

	Years Ended June 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from East Baton Rouge School Board	\$ 1,572,373	\$ 1,310,925
Cash Received from Federal and State Programs	630,311	244,097
Cash Received from Other Sources	77,847	50,181
Cash Paid to Employees	(1,041,972)	(763,624)
Cash Paid for Goods and Services	(1,151,140)	(808,928)
NET CASH PROVIDED BY OPERATING ACTIVITIES	87,419	32,651
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for Buildings and Improvements in Progress	(30,750)	-
Payments for Equipment	-	(999)
Payments for Furniture and Fixtures	-	(2,808)
NET CASH USED BY INVESTING ACTIVITIES	(30,750)	(3,807)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Line of Credit	69,626	-
Decrease in Cash Overdraft	(1,604)	(6,808)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	68,022	(6,808)
NET INCREASE IN CASH	124,691	22,036
BEGINNING CASH BALANCE	84,638	62,602
ENDING CASH BALANCE	\$ 209,329	\$ 84,638

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-1-
June 30, 2009 and 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

School – Community School for Apprenticeship Learning (the School) is an independent public middle school with a charter to operate in East Baton Rouge Parish expiring June 30, 2012. The School has an enrollment of 170 students and teaches using an apprenticeship interdisciplinary curriculum for children who have difficulties learning in a traditional school model. During 2009, the School applied for and received a charter to operate a public high school with an enrollment of 100 students in East Baton Rouge Parish. The high school will open for the 2009-2010 school year. The initial charter is for five years but will be re-evaluated after three years.

The School is a nonprofit School as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Support – The school is issued monthly per pupil Minimum Foundation Program (MFP) distributions as determined by the State Department of Education through the East Baton Rouge Parish School Board. The distribution is based on the October 1 enrollment and is adjusted accordingly for any State Department of Education audit adjustments.

The School also applies for various grants from the private and public sector. The grants are for specific items and are nonrecurring. The School also receives federal and state funds passed through the Louisiana Department of Education and the Louisiana Department of Social Services for various after school programs.

Concentration of Support – The School received approximately 71% and 72% of its annual revenue from the East Baton Rouge Parish School Board for the years ended June 30, 2009 and 2008, respectively.

Contributions – Contributions received are allocated as restricted or unrestricted based on the donors' stipulations.

Donated Services – No amounts have been reflected in the financial statements for donated services. The School generally pays for services requiring specific expertise. However, some Board Members volunteer their time and perform a variety of tasks that assist the School with administrative programs.

Program – The sole program of the School is an instructional program.

Functional Expenses – The costs of providing various program and administrative services have been reported on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the various program and administrative services based on estimates made by management.

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash includes all unrestricted cash accounts held at financial institutions and cash on hand.

Property and Equipment – Purchased property and equipment is capitalized at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the assets.

Accounts Receivable – Bad debts are charged to operations in the year in which the account is determined uncollectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements. No amounts for an allowance for bad debts have been established as the School expects to collect the balance in full.

Use of Estimates – Management used estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Advertising – The School expenses advertising costs as they are incurred.

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-2-
June 30, 2009 and 2008

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable - MFP at June 30, 2009 and 2008 represent the amounts due from the East Baton Rouge Parish School Board net of monthly expenses paid directly to the School Board through deduction from total support. These amounts were received within 60 days after year-end.

Accounts receivable - Federal Programs at June 30, 2009 and 2008 represent amounts due from the Louisiana Department of Education for federal pass through grants under the 21st Century Program. These amounts were received within 60 days after year-end.

Accounts receivable - State Programs at June 30, 2009 and 2008 represent amounts due from the Louisiana Department of Social Services for the Continuing Day and Teen Pregnancy Prevention afterschool programs. These amounts were received within 60 days after year-end.

NOTE 3: OPERATING LEASE

The School leases its facilities from the East Baton Rouge Parish School Board on a year-to-year basis. During the year ended June 30, 2008, monthly rent of \$5,083 was deducted from the monthly support. Total rent paid during the year ended June 30, 2008 was \$61,000. From July, 2008 through December 2008, monthly rent of \$5,083 was deducted from the monthly support. On December 18, 2008, the school entered into a new lease agreement with the school board which reduced the monthly rent charged to the school from \$5,083 to \$100. Total rent paid during the years ended June 30, 2009 was \$31,100. The new lease agreement expires on June 30, 2012. As a result of the agreement Community School for Apprenticeship Learning will now be responsible for utilities expense, janitorial expenses, and other maintenance charges previously assumed by the East Baton Rouge School Board. Estimated annual rental obligations for the years ending June 30, 2010, 2011, and 2012 are \$1,200 per year.

The School leases office equipment on a monthly basis. The monthly rental cost is \$575 per month. Total equipment rental for the years ended June 30, 2009 and 2008 was \$2,868 and \$7,525, respectively.

NOTE 4: RETIREMENT PLAN

School employees are covered by the East Baton Rouge Parish Teacher's Retirement Plan. Employees are required to defer 8% of their salary into the plan. The School contributed an additional 15.5% and 16.6% into the plan for the years ended June 30, 2009 and 2008, respectively. During the years ended June 30, 2009 and 2008 the School contributed \$132,052 and \$106,734, respectively, to the plan.

Individuals employed for the after school programs are not eligible to be participate in the Teachers Retirement Plan but are covered by the social security system.

NOTE 5: LINE OF CREDIT

One February 13, 2009, the School secured a \$200,000 line of credit with a bank. The funds were used to fund the buildings, improvements and equipment for the new high school. The line of credit bears interest at the rate published by the Wall Street Journal, with an interest rate floor of 5%. At June 30, 2009, the interest rate was 5%. The line matures on February 13, 2010, and is secured by an education grant. The balance at June 30, 2009 was \$69,626.

COMMUNITY SCHOOL FOR APPRENTICESHIP LEARNING
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-3-
June 30, 2009 and 2008

NOTE 6: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

	<u>2009</u>	<u>2008</u>
Increase in Net Assets	\$ 51,168	\$ 79,970
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	12,718	13,567
Increase in Accounts Receivable – MFP	(5,700)	(2,591)
Decrease (Increase) in Accounts Receivable – Federal Programs	100,981	(139,091)
(Increase) Decrease in Accounts Receivable – Louisiana Programs	(4,764)	16,331
Decrease (Increase) in Employee Receivable	1,389	(1,757)
Decrease (Increase) in Prepaid Expenses	4,220	(296)
(Decrease) Increase in Accounts Payable	(46,992)	40,287
Increase (Decrease) in Payroll Taxes Payable	3,563	(382)
(Decrease) Increase in Payroll Liabilities	(999)	2,135
(Decrease) Increase in Due To Department of Social Services	(5,202)	5,202
(Decrease) Increase in Accrued Salaries	(23,537)	21,201
Increase in Other Payable	3,626	-
Decrease in Accrued Insurance	<u>(3,052)</u>	<u>(1,925)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 87,419</u>	 <u>\$ 32,651</u>

Cash paid for interest expense during the year ended June 30, 2009 and 2008 was \$0 and \$542, respectively.

NOTE 7: RECLASSIFICATIONS

Certain reclassifications were made to the June 30, 2008 financial statements in order to conform to the June 30, 2009 financial statements presentation.

NOTE 8: TRANSACTION WITH RELATED PARTY

The school paid a related party \$13,333 and \$1,500 during the years ended June 30, 2009 and 2008, respectively, for grant writing services.

NOTE 9: SUBSEQUENT EVENTS

In July 2009, the School opened Madison Prep High School. As of October 1, 2009, the high school had an enrollment of 92 students.

As of December 31, 2009, the State of Louisiana stopped funding for the Teen Pregnancy Prevention after school program.

THOMAS, WILSON, RAGUSA, UFFMAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINNACIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Community School of Apprenticeship Learning

We have audited the financial statements of Community School for Apprenticeship Learning as of and for the year ended June 30, 2009 and have issued our report thereon dated January 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Community School for Apprenticeship Learning's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community School of Apprenticeship Learning's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community School for Apprenticeship Learning's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that were reported to management of Community School for Apprenticeship Learning in a separate letter dated January 29, 2010.

Community School for Apprenticeship's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Community School for Apprenticeship Learning's response and, accordingly, we express no opinion on it.

This report is intended for the information of the board of directors and management, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thomas, Wilson, Ragusa, Uffman & Co. CPAs

Certified Public Accountants
January 29, 2010

THOMAS, WILSON, RAGUSA, UFFMAN & Co.

C E R T I F I E D P U B L I C A C C O U N T A N T S

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NICHOLAS C. OURSO, CPA

January 29, 2010

To the Boards of Directors
Community School for Apprenticeship Learning

We have audited the financial statements of The Community School for Apprenticeship Learning for the years ended June 30, 2009 and 2008, and have issued our report thereon dated January 29, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 19, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of Community School for Apprenticeship Learning. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Community School for Apprenticeship's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meetings about planning matters with Dujan Johnson, Albert Jones, and Veronica Jenkins.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Community School for Apprenticeship Learning are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended June 30, 2009 and 2008. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciable lives of fixed assets. Management uses IRS guidelines to estimate useful lives of fixed assets. We evaluated the key factors and assumptions used to develop the depreciation estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

An adjustment was made to the accounts payable to reverse the double entry of the monthly accounting firm's entry to reverse accounts payable at June 30, 2008.

An adjustment was made to reduce prepaid insurance by \$4,220 to the value of the remaining terms of the policies.

An adjustment in the amount of \$12,718 was made to increase depreciation and accumulated depreciation to record depreciation expense for the year ended June 30, 2009.

An adjustment was made to reclassify June MFP check received in July as a receivable rather than a cash deposit at June 30, 2009. As a result of the entry cash was decreased by \$86,766 and accounts receivable was increased by \$86,766.

An adjustment was made to reclassify \$3,424 coded to an asset called Orlando Trip against the related travel expenses.

An adjustment was made to zero out payroll liabilities for various insurance withholdings from employees. The net effect of these amounts increased Group Insurance Expense by \$102.

An adjustment was made in the amount of \$1,389 to record foregone salary as repayment of a loan to an employee.

An adjustment was made in the amount of \$5,202 to record funds withheld from the continuing day program reimbursement as repayment of prior year disallowed costs.

An adjustment was made to reclassify MFP funding for certificate pay increase and support staff pay increase totaling \$20,019 from federal funding to State source income.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency and they are outlined in the memorandum that accompanies this letter. This letter does not affect our report dated January 29, 2010, on the financial statements of The Community School for Apprenticeship Learning.

This information is intended solely for the use of Boards of Directors and management of the Community School for Apprenticeship Learning and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Very truly yours,

Thomas Wilson, Registrar, Affirm E CO CA

Baton Rouge, LA

**Community School for Apprenticeship Learning
Memorandum on Opportunities for Strengthening Internal Controls**

2009-01: Credit Card Payments

At present, the outside CPA firm records the credit card payment in lump sum and does not allocate it to the individual expense items at the time the check is cut. While all amounts had been reclassified to the expenditure categories through June 30, 2009, we could tell that the three payments following year end had not been allocated in a timely manner. We recommend that the CPA firm be provided with the breakdown of how to code the check at the time the check is written. This will ensure proper and timely classification of expenditures.

Implementation of the above will allow financial reporting to be up to date at any given time for use by management.

2009-02: Time Sheet Documentation

During our audit we discovered that often times employees of the various after school programs were coding more time on their time sheet than was allowable by program rules. When an employee is paid for less hours that were listed on their timesheet, Mr. Jones needs to provide some documentation on the time card reconciling from the employee's reported time to the allowable time that was actually paid.

Employees should be required to review this documentation and agree to it by initialing or re-signing their timesheets.

Implementation of this procedure will ensure that proper documentation is kept concerning why employees paid time differs from the time reported on their timesheets.